THE HON'BLE SRI JUSTICE GOPALA KRISHNA TAMADA

WRIT PETITION No.34912 of 1997

Dated : 09.03.2007

Between:

Sri Padmalaya Chit Funds (P) Limited,
rep., by its Managing Director,
Sri K.Suryanarayana

... **PETITIONER**

And:

The Registrar of Chits, M.J.Market,
Hyderabad, now at Kavadiguda, Hyderabad
and others.

....**RESPONDENTS**

THE HON'BLE SRI JUSTICE GOPALA KRISHNA TAMADA

WRIT PETITION No.34912 of 1997

ORDER:

Petitioner is a chit fund company, established on 07.03.1984. Ever since the date of starting the business, the petitioner is alleged to have been following the rules and provisions of the A.P. Chit Funds Act, 1971, (for short "the Act") and depositing the amounts from time to time, before the Registrar. While so, on 30.07.1993 a news item was published in Eenadu Telugu daily, on the report given by one L.Raghunatha Rao, to whom the petitioner refused to pay the amount on the strength of a forged document of his daughter. Thereupon, the other subscribers wanted to withdraw the amounts, and some of them

also filed cases against the petitioner and also obtained *e x parte* orders. Thereafter, the fourth respondent, without enquiring into the allegations made against the petitioner, referred the matter to the fifth respondent for permitting him to wind up the petitioner company, alleging that the petitioner contravened the provisions of the Act, and the fourth respondent also not permitted the petitioner to withdraw the amounts deposited in the Banks by the subscribers, when the petitioner intended to repay the amounts to the eligible subscribers. Upon the said reference, the fifth respondent, by its proceedings dated 07.10.1995, permitted the fourth respondent to wind up the petitioner under Section 39(b) of the Act, without giving any opportunity to the petitioner. Hence, it seeks to quash the said proceedings and also seeks time to repay the amounts to the eligible subscribers.

Despite service of notice, the respondents have not chosen to file any counter.

Heard the counsel for both the parties.

Though this Court granted interim stay, subsequently the same was vacated on 16.04.1998. Having regard to the same and as the petitioner sought time to repay the amounts to eligible subscribers, this Court is of the view that the said amounts must have been paid by now and the cause in this writ petition does not survive.

Further, learned counsel for the petitioner submitted that he has no instructions from the petitioner and the petitioner has taken away the bundle from him.

In the light of the same, this Court is of the view that no purpose would be served in keeping this writ petition pending.

Accordingly, the writ petition is dismissed. There shall be no order as to costs.

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09.03.2007

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